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TAGS: [ETRD](#) [ASJA](#) [PREL](#)  
SUBJECT: JAPANESE AMBASSADOR COMMENTS ON WHALING, CHINA AND  
RUDD'S POLICY STYLE

REF: (A) CANBERRA 998 (B) CANBERRA 996 (C) CANBERRA 792

Classified By: AMBASSADOR ROBERT MCCALLUM. REASON: 1.4 (D)

11. (C/NF) Summary: Japanese Ambassador Takaaki Kojima told Ambassador McCallum that Japan was not going to reduce or cancel the upcoming whaling season, as Australia hoped (ref B), because it had already made a concession last year to drop the planned killing of 50 humpback whales in an effort to show good will and move the discussion forward in the International Whaling Commission (IWC). Regarding recent Australian concerns over rising Chinese investment in Australia's minerals sector (ref C), Kojima noted that in contrast to recent Chinese investment bids, Japanese companies had preferred to take minority stakes in companies, and had not sought a controlling stake in Australian joint venture partnerships. He also noted that Australian concerns over state controlled investors did not apply to Japanese firms like Mitsubishi or Nippon Steel as they were privately owned. Kojima opined that, with the exception of Treasury, GOA ministries and agencies have been cut out of the foreign policy decision-making process by Prime Minister Rudd's "top down" style. End summary.

12. (C/NF) In a lunch hosted by Japanese Ambassador Takaaki Kojima on October 1, the Ambassador and DCM raised the issue of the upcoming whaling season and solicited Kojima's views on the possibility of a compromise that would defuse public opinion on both sides. Kojima said that the Japanese had already made a concession last year to drop the planned killing of 50 humpback whales in an effort to show good will and move the discussion forward in the International Whaling Commission (IWC). That had been accomplished, Kojima said, and Japan was not going to reduce or cancel the upcoming whaling season while the IWC working group process was ongoing. Kojima confirmed that Australian Special Envoy Sandy Holloway would be in Japan next week (ref B) but acknowledged that the current caretaker government under new PM Taro Aso would not agree to any policy changes until after elections are held. This would not be, in Kojima's opinion, before the whaling season began. Kojima said that he was aware that the Rudd government was looking into legal action against Japan, but did not indicate whether Japan was working to get Australia to act on any Interpol findings against Sea Shepherd or other anti-whaling groups.

Japanese Investment Differs from Chinese

13. (C/NF) Although Japan was still the number one destination for Australian exports, Kojima said China would soon surpass Japan as a consumer of Australian resource exports, and that this was one of the drivers behind Chinese investment moves in Australia. When asked whether Australia should be familiar with waves of Asian investment in Australia's minerals sector because of Japanese investments in the late 1980s and early 1990s, (ref C) Kojima countered that Japanese companies, unlike their Chinese counterparts, had preferred to take minority stakes in companies, and had not sought a

controlling stake in Australian joint venture partnerships. This had made Japanese investment easier to swallow in Australia, Kojima argued, even in a period when Australia's economy was not as strong. Kojima was quick to point out that Australian concerns over state controlled investors did not apply to Mitsubishi or Nippon Steel as they were privately owned and would meet Treasurer Wayne Swan's stated test for investors that are affected by market forces.

Rudd's "Top Down" Foreign Policy Making Approach  
Rudd's "Top Down" Foreign Policy Making Approach

14. (C/NF) Kojima characterized Rudd's "top down" approach to foreign policy as "very unusual." He noted that, when Rudd told him about his Asia Pacific Community (APC) initiative two days before the public announcement, the Prime Minister noted that he had not informed any of his foreign policy advisors, including the senior foreign policy advisor in his own office. Kojima opined that, with the exception of Treasury, all other GOA ministries and agencies have in effect been cut out of the foreign policy decision-making process. According to Kojima, the lack of details attendant to the APC initiative suggests the hurriedly thought out nature of the proposal and lack of consultation by Rudd with his staff and ministries.

MCCALLUM